ILLINOIS
HOUSING SUPPLY ACCELERATOR PLAYBOOK

A practical guide for Illinois communities to increase housing supply, address housing affordability and attainability, and promote economic development.

ILLINOIS REALTORS®

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SECTION 1

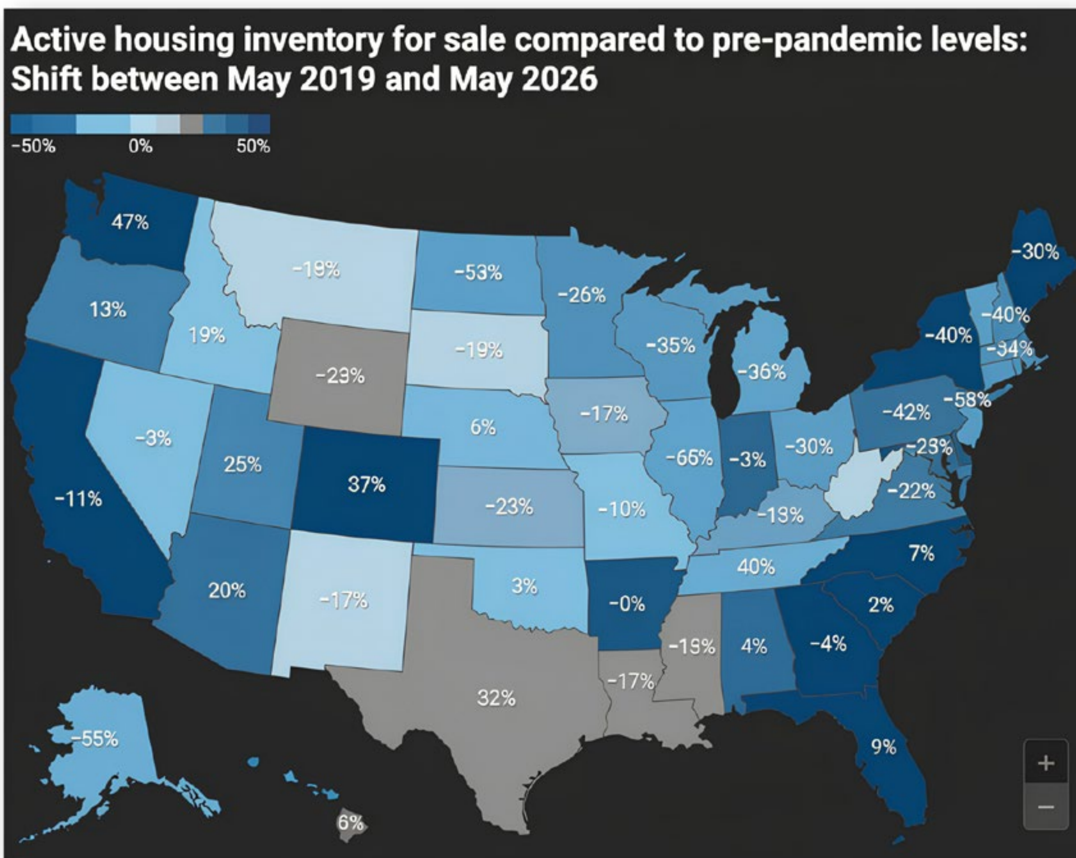
ILLINOIS' HOUSING REALITY

1.1 The Shortage

Illinois communities are facing a housing supply challenge that looks different from place to place but shares one common theme: the state is not producing enough homes to meet the needs of its residents, workers, employers and local economies.

According to a recent study by the University of Illinois, the state is facing a current shortage of more than 142,000 homes and will need to build over 227,000 in the next five years just to meet demand.[1]

Illinois consistently ranks near the bottom nationally in new housing production and our housing inventory recovery compared to the rest of the nation is dramatically negative. During the pandemic, national housing inventory plummeted over 63% between 2019 and 2022. While much of the country has improved since then, Illinois is second-to-last in inventory recovery. [2]



Source: Lance Lambert, ResiClub

1 https://www.illinoisepi.org/2025/06/24/you-cant-buy-what-you-cant-afford-illinois-housing-shortage-and-ways-to-fix-it/
2 https://www.resiclubanalytics.com/p/state-inventory-update-housing-market-june-2026

Despite Illinois having the nation's fifth largest state economy (and Chicago the third-largest economy of all U.S. cities), Illinois is among the lowest states in per-capita homebuilding and residential permitting and falls behind even more rural, much smaller neighboring states.

State	Authorized New Housing Units (2024)	Units Per 1,000 Residents
Illinois	20,326	1.60
Indiana	26,633	3.85
Iowa	12,544	3.87

Source: U.S. Census Bureau

1.2 Impact on Affordability

When housing production fails to keep up with demand, prices rise. That affects:

- **HOMEBUYERS**, who face higher prices, higher mortgage payments and fewer entry-level options.
- **RENTERS**, who face higher rents and fewer affordable units.
- **EMPLOYERS**, who struggle to attract and retain workers when employees cannot find housing near jobs.
- **LOCAL GOVERNMENTS**, which face greater pressure to subsidize affordability after the private market has been constrained from producing enough supply.
- **EXISTING HOMEOWNERS**, especially seniors and working families, who may benefit from rising home values but also face higher property taxes, insurance and maintenance costs.

The impact of the state's housing supply crisis on housing affordability is dramatic. Home price increases over the last several years have priced many would-be buyers out of the market and have trapped current owners in homes they've often outgrown.

Statewide, the median price of a home has exploded by 44% between 2019 and 2025. In Chicago, the median sale price of a home in May 2026 was over $399,000, or 35% higher than it was before the Pandemic. Affordability isn't just a big-city problem either. In more rural areas of the state like Carbondale, the median sale price of a home in May 2026 was over $175,000, which is 48% higher than in 2019.

Location	Median Sale Price		% Increase
	2019	**2025**	
State of Illinois	$208,965	$300,000	44%
Chicago Metro Area	$248,000	$366,000	48%
City of Chicago	$295,000	$375,000	27%
Bloomington	$155,000	$245,000	58%
Peoria	$121,500	$170,900	41%
Springfield	$143,000	$200,000	40%
Rockford	$127,000	$215,000	69%
Champaign-Urbana	$155,000	$235,150	52%
Carbondale-Marion	$118,500	$167,850	42%

Source: https://www.illinoisrealtors.org/marketstats/public-archive/

1.3 Economic Development

Illinois' housing supply crisis puts incredible financial pressure on families and workers, but it also robs from cities and towns across the state. Every home that is not built represents more than a lost housing opportunity, it represents economic activity that never occurs.

The National Association of REALTORS® estimates that every home sale in Illinois generates anywhere from $50,000 to $118,000 in local and state economic impact. What's more, it's estimated that for every two homes that are sold, one job is created locally.[3]

Over the course of the last decade, Illinois' plummeting home inventory has deprived the state of much needed economic growth. If Illinois is currently short approximately 140,000 homes, and if those homes existed and turned over at normal market rates over time, the associated economic activity would be measured in the tens of billions of dollars, supporting jobs throughout the construction, finance, legal, retail, transportation, and service sectors.

How Much Has the Housing Supply Crisis Cost Illinois Cities in 5 Years?			
City	**Lost Growth**	**City**	**Lost Growth**
Peoria	**$280,800,000**	Rockford	**$226,800,000**
Springfield	**$110,400,000**	Arlington Heights	**$86,300,000**
Normal	**$23,400,000**	Chicago	**$1,260,000,000**
Joliet	**$54,100,000**	Champaign	**$125,000,000**
Metro East	**$483,800,000**	Aurora	**$132,400,000**

Source: Illinois REALTORS® Market Statistics, April 2026

3 https://www.nar.realtor/reports/state-by-state-economic-impact-of-real-estate-activity; https://www.nar.realtor/jobs-impact-of-an-existing-home-purchase

The lost economic growth from the steady supply of housing inventory also doesn't take into consideration the effect on lost property tax base growth. With fewer homes on the market, existing home values increase at faster-than-normal rates, meaning even if municipalities don't raise their tax rates, the total tax bill on homes will still rise, while simultaneously depriving the city of new taxable properties.

What's worse, the failure to build more homes, especially in historically disinvested areas, further perpetuates a trend of "higher property tax rates in communities struggling with economic development."[4] For Illinois, where local property taxes are relied upon heavily for local services such as schools, this means that property owners in minority-majority neighborhoods suffering from decades of implicit and explicit housing disinvestment and discrimination, often will end up paying disproportionately higher property taxes.

1.4 The Illinois Playbook

The national Housing Supply Accelerator Playbook[5] frames housing supply as a local systems challenge involving land use, construction, finance, infrastructure, regulation and public-private partnership. Its goal is to help communities expand, preserve and improve housing supply in ways that are diverse, attainable and equitable. Illinois should use that same systems approach, but with solutions tailored to Illinois law, Illinois markets and Illinois communities.

Illinois cannot improve housing affordability, support economic growth or expand opportunity unless its communities make it easier to build, preserve and improve homes of all types.

The purpose of this Illinois Housing Supply Accelerator Playbook is to provide every community in Illinois a guide for developing their own approach to expanding housing opportunities and stability.

It is almost universally recognized that there is no single solution and that housing supply requires collaboration among local governments, builders and real estate professionals, financiers, planners, and community stakeholders. But there are several areas where change can focus and where there have been demonstrably positive results.

This Playbook will begin by outlining some of the challenges and barriers to creating more housing opportunities that are or can be influenced at the local level. Some of the barriers to creating more housing were created with perfectly good intentions. Some of the downstream negative effects on housing supply were simply unintended consequences of local policies that were aimed at other goals.

Every level of government suffers from the cumulative impact of decades of policymaking, without adequate time to look back and determine if certain decisions need to be revised or rethought. The barriers identified in Section 2 below highlight areas that some cities may not have thought about in years. The explanations that are provided for each barrier attempt to make it clear how each can impact whether a new home will be built or if the homes that are built will be considered affordable by most working families.

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4 https://cmap.illinois.gov/regional-plan/goals/recommendation/disinvested-areas/
5 https://www.planning.org/housing-supply-accelerator/

The final section of this Playbook provides the tools for any Illinois community to create their own Local Housing Supply Accelerator. And that is the goal: for as many Illinois communities to create Local Housing Supply Accelerators as possible.

Every Illinois community can expand housing opportunity without sacrificing local character

Every accelerator, just like every community, is going to be unique – that's why the tools included here allow for as much tailoring as possible. Scorecards and templates provide a roadmap for assessing any community's current approach to regulating housing and their view of economic development. Assessments are then followed with real-world examples and case studies of solutions put into action.

SECTION 2

ILLINOIS' HOUSING SUPPLY BARRIERS

2.1 Summary

The barriers identified in this Section naturally build on one another and each starts with a question:

1. **CAN HOUSING BE ALLOWED?** *(Zoning)*
2. **CAN HOUSING BE APPROVED?** *(Development process)*
3. **CAN HOUSING BE SERVED?** *(Infrastructure)*
4. **CAN HOUSING PENCIL OUT?** *(Financial feasibility)*

That progression mirrors the way a housing project actually moves from concept to construction. This logic also reinforces the idea that housing production depends on the entire development ecosystem, not a single policy change.

2.2 Barrier 1: Local Zoning Restrictions

Many zoning regulations were adopted for legitimate reasons, but in many communities, they no longer reflect current housing needs, demographic realities, or economic conditions.

Across Illinois, local zoning ordinances shape what housing can be built, where it can be built, and whether it can be built at all.

Most zoning regulations were established decades ago when household sizes were larger, land was less expensive, construction costs were lower, and communities faced different housing needs than they do today.

Today, many communities are experiencing:

- Smaller households
- Aging populations
- Growing demand for workforce housing
- Rising housing costs
- Increased demand for walkable neighborhoods, and
- A shortage of entry-level homeownership opportunities

Yet many local zoning codes still assume that the primary housing need is large-lot, detached single-family housing.

As a result, zoning regulations can unintentionally limit housing supply, reduce housing choice, increase development costs, and make it difficult for communities to respond to changing market conditions.

Large Minimum Lot Sizes

Many Illinois community zoning regulations require residential lots significantly larger than what is necessary to support safe and attractive neighborhoods.

For example, in many towns across the state, single-family homes are required to be constructed on lots no less than 10,000 to 15,000 square feet. In some cases, there are even requirements for single-family detached homes to be built on one-half-acre or one-acre parcels.

Minimum lot sizes are arguably one of the most consequential—and least appreciated—local regulations affecting housing affordability. Unlike some design standards that add thousands of dollars to a home's cost, minimum lot sizes fundamentally determine how efficiently land can be used. Moreover, large lot size requirements can eliminate entire categories of housing, like Missing Middle Housing (see below for more). When the zoning code requires upwards of 10,000 to 20,000 square feet per residential unit, it becomes impossible to build smaller homes.

The impact of these types of restrictions are fairly plain to see: fewer homes per acre, higher land costs per home, increased infrastructure costs and reduced affordability. In many suburban communities in Illinois, a parcel capable of supporting four homes under older neighborhood development patterns now may only support one or two homes under current zoning.

Restrictions on Middle Housing Typologies

In many Illinois towns, zoning codes are designed to prohibit or severely restrict middle housing typologies like duplexes, triplexes, cottage courts, and townhouses. These housing types have historically provided:

- Starter homes
- Workforce housing
- Housing for young professionals
- Housing for seniors
- Naturally occurring affordable housing

When prohibited, communities lose an important source of housing diversity.

Restrictions on Accessory Dwelling Units (ADU)

ADUs are small secondary homes located on a residential lot. These small living units can be detached from the primary home or physically connected and are often also referred to as granny flats, in-law units, second units, or backyard cottages.

ADUs offer cities an affordable, flexible and oftentimes rapid response to the housing supply crisis, however, most communities still either ban them outright or enact such severe limitations on them that they become practically impossible to pursue.

While ADUs will not alone solve Illinois' housing supply problem, they offer a relatively low cost and easy part of the solution by increasing supply without requiring new land. ADUs also provide rental income opportunities for existing homeowners and provide a safe, stable source of multigenerational housing.[6]

Excessive Parking Requirements

Parking requirements often represent one of the least visible but most significant barriers to housing production. Most zoning codes in Illinois require two parking spaces for every dwelling unit and in urban areas, set forth parking ratios that are designed for peak driving demand and in some cases are holdovers of nearly 70-year-old policy goals.[7]

These types of requirements don't just increase the amount of land required for development, but research has consistently shown that structured parking can add tens of thousands of dollars to the cost of every housing unit.

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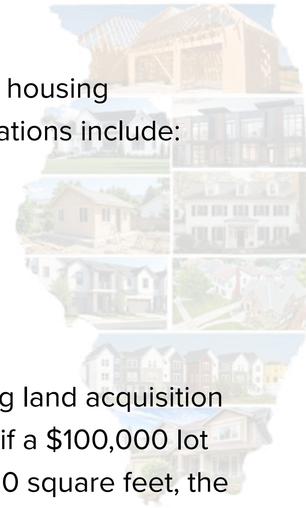
6 *According to the AARP, "among adults 50 or older, 69% would consider living in an ADU to be close to [family]... and 68% would build an ADU to house a caregiver."* https://www.habitat.org/our-work/impact/affordable-accessory-dwelling-units-evidence-brief.

7 *Parking minimums originate in the late 1940's and early 1950's to "protect" against "curb congestion."* https://www.theatlantic.com/ideas/archive/2021/05/parking-drives-housing-prices/618910/

Bulk Regulations & Lot Requirements



Bulk regulations typically refer to a wide category of local requirements imposed on new housing construction that all add to the cost of the construction. Common examples of bulk regulations include:

- Building height
- Dwelling units per acre
- Floor area ratio
- Lot coverage

These regulations can impact housing construction costs by disproportionately increasing land acquisition and development costs relative to the actual cost of housing construction. Consider that if a $100,000 lot could accommodate a 3,000-square-foot home, but is limited to a floor area ratio of 2,000 square feet, the builder now carries 50% more land cost per square foot of housing.

Economically, home builders are forced to respond by only building large, luxury homes to recover their land costs.

Economists often describe this as forcing land to be underutilized, increasing the cost of every square foot that is allowed to be built.

Land is generally the scarcest and least elastic input in housing production, so reducing the amount of housing per acre increases the land cost embedded in every home.

These bulk regulations can go beyond generalized, structural concerns and even dictate architectural controls, like what type of masonry or brick must be used, roof pitch requirements, and window proportions.

Municipal zoning codes will often also contain requirements for each residential lot, from the minimum lot size to the size of front and side yard setbacks. Not surprisingly, the larger the lot required for each home and the less of each lot you can build on, the more expensive the home is going to be to build.

Larger lots don't simply consume more land, they also require more infrastructure per home. Each additional foot of separation between homes increases the amount of public and private infrastructure needed.

The most obvious examples of the increased infrastructure needs, include:

- more local streets
- longer water mains
- longer sanitary sewer lines
- longer storm sewer systems
- additional sidewalks
- more street lighting
- additional utility extensions
- larger maintenance obligations

These infrastructure costs are reflected in higher development costs, which are ultimately incorporated into home prices.

Cities and towns have legitimate public objectives to consider when they create bulk regulations and lot sizes, from maintaining visual consistency and neighborhood character. However, in many communities, design standards have accumulated over decades without a systematic review of their cumulative effect on affordability and updated building typologies that moderately increase density without dramatically changing the look and feel of a neighborhood.

Illinois Housing Playbook Recommendation

The goal is not to eliminate zoning.[8] The goal is to ensure that zoning reflects today's housing needs rather than yesterday's assumptions.

Communities that periodically evaluate and modernize their zoning codes are better positioned to expand housing opportunity, improve affordability, support economic growth, and preserve community character than communities that rely on regulations designed for a different era.

2.3 Barrier 2: Development Approval Delays

A good development review process protects the public interest while providing applicants with a predictable, transparent, and timely path to a decision.

Time is one of the most expensive inputs in housing development. While land, labor, materials, and financing are all visible costs, the cost of delay is often less apparent – but equally significant. Every additional month spent navigating the development approval process increases carrying costs, financing expenses, professional fees, and uncertainty. These costs ultimately become part of the price of the finished home.

In today's high-interest-rate environment, time has become even more valuable. A project delayed by six months can experience substantial increases in financing costs, construction costs, and material prices, potentially making a viable project financially infeasible.

Communities often focus on whether a proposed development should be approved. Equally important is whether the approval process itself is predictable, efficient, and proportional to the scale of the project.

The objective is not fewer reviews. It is better reviews.

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8 The goal is also not to eliminate entire categories of residential zoning, like for example, single-family zoning. Lots that are exclusively zoned for single-family housing are still an important component of thoughtful, updated zoning plans.

Sequential Review

Most new housing projects require review and approval from multiple city departments, including planning, engineering, fire, public works, and legal. Traditional zoning and building codes, or the processes adopted by cities and towns to comply with them, dictate that projects are reviewed by one department at a time. This process takes months even when all parties are moving as quickly as possible.

Multiple Decision-Makers

The answer for who, ultimately, gets to decide if a project is approved can be difficult to ascertain. While public engagement in the review and approval process is essential, over the years, this has led to the use of multiple layers of bureaucratic approvals from several governmental bodies, including:

- Planning Commission
- Zoning Board of Appeals
- Committee meetings
- Village Board or City Council
- Committee of the Whole

The uncertainty with how long each of these decision-makers will take and how many revisions to a proposal will be required, creates more challenges, delays and costs for every new home built.

Discretionary Approval – Missing Middle Housing

Making matters even more complicated is that most housing-related development will fall under what is considered "discretionary approval" (versus approval "by right"). The Urban Institute notes that discretionary approval is beneficial when it enables cities and community members to communicate with and even collaborate on design and community impacts with developers.[9] However, the benefits can quickly be overwhelmed by the increased costs these reviews necessitate.

One concern with discretionary review is the outsized influence that a small group of individuals can have on a project that is meant to benefit the entire community. Developers often spend months tailoring their projects to respond to or address items noted, sometimes by individuals who do not reside or work near a proposed development.

Also, with each new decision-making body comes a new wave of discretion, and sometimes suggestions, edits, or revisions to the original project. Each level of municipal oversight, from the planning commission to the City Council can add costs to the development. According to the National Association of Home Builders, securing zoning approval can add over $7,000 to the cost of each new home.[10]

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9 https://www.urban.org/urban-wire/chicago-new-apartment-buildings-typically-require-city-council-approval-which-may-delay
10 https://www.mpamag.com/us/news/general/new-home-construction-regulatory-costs-hit-132k-per-home-nahb-finds/578676

In addition to the multiple layers of approval, discretionary approval adds to the cost of construction just by the sheer number of circumstances in which it applies. When a new project fits within a city's building and zoning code requirements for a particular lot, it can often be "approved" more quickly "by right." However, even the smallest deviations from code require approved variances and conditional permits, each with their own approval from each governing oversight body.

The narrow frame of what constitutes "by-right" development is most-often cited as one of the most obvious barriers to the construction of "missing middle" housing typologies. Missing middle housing usually includes:

- Duplexes, Triplexes, and Fourplexes
- Cottage Courts/Clusters
- Townhomes, and
- ADUs

These housing types are considered the most affordable for buyers and make the most use of the land on which they sit. Missing middle housing often serves as "starter homes" for young or first-time homebuyers and target the goal of moderately increasing density without dramatically changing the character of a neighborhood or increasing the relative price to live in that neighborhood.

But because most building and zoning codes prohibit these typologies without costly governmental discretionary approvals, they are cost-prohibitive in most cases.

Limited Municipal Staff

One reason for development approval delays that is shared by many Illinois municipalities – particularly smaller communities – is smaller planning staffs. Some communities even rely on shared engineers or inspectors and many operate without extensive legal resources to vet projects. Even well-managed communities may struggle to process applications quickly because of staffing limitations rather than regulatory barriers.

Illinois Housing Playbook Recommendation

The goal is for communities to strive for development review systems that are:

- **TRANSPARENT** — applicants understand the process and requirements.
- **PREDICTABLE** — review timelines and decision criteria are clear.
- **EFFICIENT** — reviews occur without unnecessary duplication or delay.
- **ACCOUNTABLE** — performance is measured and continuously improved.

Again, this isn't about reducing public input or weakening oversight, rather it's about ensuring that every step in the process adds value (in proportion to any added costs) and advances a timely, well-informed decision.

2.4 Barrier 3: Infrastructure Costs

Many communities want more housing, but face enormous infrastructure costs that make growth difficult to accommodate. Infrastructure is both a real barrier and a shared responsibility. There are legitimate infrastructure constraints and there are those that can be planned for, financed differently, or reduced through better land-use decisions.

As noted above, housing cannot be built without infrastructure. Every new home depends on roads, water systems, sanitary sewers, stormwater facilities, utilities, schools, parks, emergency services, and transportation networks.

In many Illinois communities – particularly fast-growing suburban areas – the cost of expanding this infrastructure has become one of the largest barriers to housing production. Communities often face a difficult balancing act, where existing residents reasonably expect growth to “pay for itself,” while developers argue that excessive infrastructure requirements make new housing financially infeasible. Both concerns are legitimate.

The challenge is finding policies that fairly distribute costs while ensuring that infrastructure does not become an unintended barrier to housing opportunity. The question is not whether infrastructure should accompany growth, but how communities can deliver that infrastructure in a way that supports, rather than discourages, housing production.

Front-Loaded Costs

Unlike many development costs, infrastructure is largely “front-loaded” – paid for before the first family moves into a new neighborhood. Someone must often finance:

- Roads, intersections, sidewalks
- Water and sewer lines
- Stormwater detention
- Traffic control/signals
- Utility extensions (electricity, gas, etc.)
- Fire protection improvements

These improvements can add thousands of dollars per lot before a foundation is even poured. Making matters worse, some of the design standards that have evolved over the years have gone beyond what is necessary for smart, safe developments. For example, in some cities, minimum road width requirements are now beyond what is needed for multi-lane roads with parking. Standards like these don’t just increase the cost for developers who have to pay for them upfront, but for the cities themselves that end up paying to maintain them long after the development is finished.

At the end of the day, when the upfront cost becomes too high, projects are delayed, downsized, or abandoned altogether.

Impact Fees

Many Illinois communities rely on one-time development charges to help finance infrastructure.

Common examples include:

- Road impact fees
- Water tap-on fees
- Sewer connection fees
- Park land dedication fees
- School land-cash contributions
- Utility connection charges
- Annexation fees

These fees help ensure that growth contributes toward needed infrastructure rather than shifting all costs to existing taxpayers. However, impact fees also become part of the purchase price of every new home. Higher fees generally translate into higher housing prices.

The policy challenge is not whether fees should exist, but whether they are predictable, transparent and perhaps most problematic in Illinois, proportional to the impacts of the development.

While Illinois state law allows home rule communities to assess impact fees, with rare exception, it provides little guidance on the limits for those costs. Even in the case of the Road Improvement Impact Fee statute (one of the very few examples of a specific state authorization for impact fees), there is no consequence when an Illinois town collects impact fees but does not use them for their intended purpose.[11]

Illinois Housing Playbook Recommendation

Infrastructure should be viewed as an investment in economic growth rather than simply a cost of development. Importantly, communities should also not fall into the trap of associating investments in infrastructure with only new developments in unbuilt areas. Some of the best opportunities for creating more housing opportunity are in city-centers or urban cores, which should be planned for as well.

Communities that proactively plan infrastructure alongside housing are better positioned to attract employers, support workforce growth, expand their tax base, and improve housing affordability.

At the same time, transparent, predictable, and proportionate infrastructure financing helps ensure that the costs of growth are shared fairly without unnecessarily pricing new housing out of reach. The most successful Illinois communities will be those that recognize housing policy and infrastructure policy are inseparable. One cannot succeed without the other.

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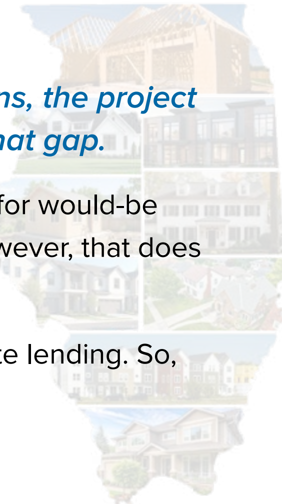
11 605 ILCS 5/5-901 *et seq.*

2.5 Barrier 4: Closing the Financing Gap



Every housing project has a point where costs exceed value. When that happens, the project never gets built. Local government policies can either widen or narrow that gap.

Bringing more housing online requires capital and while there are certainly financing gaps for would-be developers, local governments exercise very little influence over these types of issues. However, that does not mean their level of influence is zero.

Local governments don't control interest rates, mortgage underwriting, tax credits, or private lending. So, what can local governments actually influence? Quite a bit – albeit indirectly.

Regulatory Costs

As noted in prior sections, local governments exercise complete control over the local regulatory burden imposed on home builders. Whether it is impact fees, parking requirements, setbacks, architectural controls, or the timeline for regulatory/permitting approvals, each requirement can add to the costs of bringing a home to market and when combined can determine whether financing is possible.

Vehicles for Change

While local governments cannot control interest rates, construction costs, or private lending decisions, they can choose to create policies, partnerships, and financing tools that help bridge the gap between a project's cost and its economic viability.

Tax increment financing (TIF) districts, if used properly, are but one example of how cities can create an environment for housing enablement. Land banks, enterprise zones and community block grants all create a vehicle to get a city from the status quo to a new housing solution. The communities that produce the most housing are often those that have intentionally developed a toolbox of strategies to help otherwise feasible projects move forward.

Illinois Housing Playbook Recommendation

This particular barrier to new housing requires cities and towns to adjust their initial perspectives in relation to housing finance. For instance, when it comes to financing, many communities immediately think: "We need more subsidies." But sometimes, the least expensive housing subsidy is often removing the unnecessary cost that prevented the housing from being built in the first place. Removing $30,000 of avoidable cost is economically identical to giving the developer a $30,000 subsidy, except it doesn't require taxpayer funding.

The role of local government is not to finance every housing development. Rather, it is to create an environment in which financially sound housing projects have a reasonable opportunity to succeed. Through thoughtful policies, strategic investments, and targeted partnerships, communities can help close financing gaps, reduce unnecessary risk, and encourage the private investment needed to expand housing opportunities.

SECTION 3

ILLINOIS HOUSING SUPPLY PLAYBOOK

3.1 Illinois Housing Readiness Assessment

Before a municipality can create change, it has to know where it presently stands. Communities must understand where they are today so they can identify practical opportunities to strengthen their capacity to support housing. The Housing Assessments below, culminating with the Housing Readiness Assessment are designed to give every Local Housing Supply Accelerator the ability to accurately assess their town's relevant regulations, policies and even growth plans. These tools also give the Accelerator the chance to truly understand what is driving their community, the jobs and workplaces, the builders, the neighborhoods and to identify where there are opportunities for growth and strength.

Housing Assessments

See the Housing Market & Community Needs Assessment (Appendix A)

See the Housing Opportunity Assessment (Appendix B)

See the Organizational Performance Assessment (Appendix C)

See the Infrastructure Assessment (Appendix D)

See the Financial Readiness Assessment (Appendix E)

Housing Readiness Assessment Template

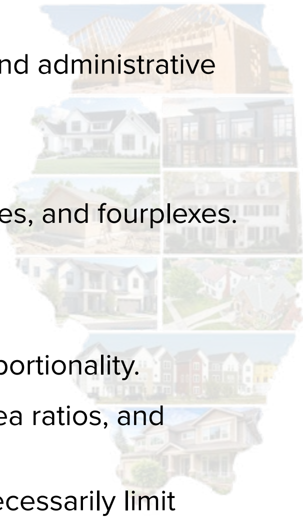
See the Housing Readiness Assessment (Appendix F)

3.2 Housing Supply Solutions & Case Studies

The recommendations in this section focus on actions that Illinois municipalities can implement or influence locally. While many national and statewide factors affect housing affordability, communities have significant authority to shape the local policies, development processes, infrastructure planning, and investment strategies that determine whether housing is built.

Many of the recommendations below are accompanied by detailed implementation guidance and real-world case studies in Appendix G: Housing Supply Solutions & Case Studies. Communities are encouraged to use that appendix as they evaluate which strategies best address the opportunities identified in their Housing Readiness Assessment.

Part A – Modernize Local Regulations



These are reforms that can often be accomplished through updates to local ordinances and administrative practices, like:

- Reduce minimum lot sizes, particularly for single-family homes.
- Expand by-right zoning for higher-density housing types, such as duplexes, triplexes, and fourplexes.
- Legalize accessory dwelling units (ADUs).
- Reduce or right-size minimum parking requirements.
- Modernize impact fee ordinances to improve transparency, predictability, and proportionality.
- Review and modernize bulk regulations, including setbacks, lot coverage, floor area ratios, and height limits, to ensure they reflect current housing needs.
- Conduct a periodic review of the zoning ordinance to identify provisions that unnecessarily limit housing opportunities or increase development costs.

Accelerator Discussion: Which of these regulatory reforms would have the greatest impact on housing opportunities in our community?

Part B – Improve Development Processes

These recommendations focus on making housing approvals more efficient and predictable.

- Establish concurrent city department reviews of development applications.
- Explore third-party plan review, permit approval, and inspection services where appropriate.
- Allow projects that fully comply with adopted zoning and development standards to be approved administratively rather than requiring discretionary review.
- Establish target review timelines for each stage of the development review process and periodically measure actual performance against those targets.
- Tailor development review requirements to the scale and complexity of the proposed project. Smaller projects that comply with adopted standards should generally require fewer approvals than larger or more complex developments.

Accelerator Discussion: Which aspects of our development review process create the greatest uncertainty or delay?

Part C – Target Future Housing Growth

These recommendations help communities direct housing toward locations where it is most feasible.

- Identify Infrastructure Opportunity Areas that are well positioned to accommodate additional housing.
- Encourage higher-density and mixed-use housing in areas with existing transit service and commercial infrastructure.
- Develop an Infill Housing Development Plan to encourage redevelopment of underutilized sites.

Accelerator Discussion: Where can our community accommodate additional housing using existing infrastructure?

Part D – Expand Local Housing Investment Tools

- These strategies help communities overcome financial barriers to housing development.
- Create or utilize a land bank to return vacant, abandoned, or tax-delinquent properties to productive use.
- Create or expand the use of Tax Increment Financing (TIF) districts to support housing development and redevelopment.
- Create growth zones where infrastructure is funded partly or wholly by the municipality to draw in developers.

Accelerator Discussion: Which financial tools could realistically help advance housing projects in our community?

Part E – Strengthen Collaboration

These recommendations focus on building the partnerships necessary to support long-term housing planning.

- Meet regularly with builders, developers, REALTORS®, lenders, and employers to identify emerging housing challenges and opportunities.
- Coordinate housing planning with county, regional, and state partners.
- Periodically update the Housing Readiness Assessment to measure progress and identify new opportunities.

Accelerator Discussion: Which organizations, community leaders, or stakeholders should become long-term partners in advancing our community's housing goals?

SECTION 4

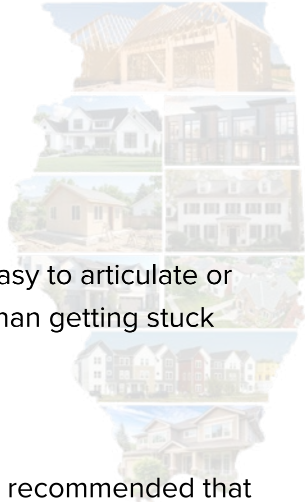
FORMING YOUR LOCAL HOUSING SUPPLY ACCELERATOR

4.1 Gather the Team

A Local Housing Supply Accelerator is a collaborative working group established by a municipality to evaluate local housing conditions, identify barriers to housing production, and develop practical recommendations to expand housing opportunities. The Accelerator is intended to be action-oriented, bringing together local government, the real estate industry, and other community stakeholders to develop solutions tailored to the community's unique needs.

Step 1 Secure Municipal Leadership

Every successful Accelerator begins with a commitment from municipal leadership. Before launching an Accelerator, the municipality should identify a Mayor, Village President, City Manager, or other senior official who is willing to champion the effort and encourage collaboration across municipal departments.



The municipality should formally establish the Accelerator through:

- Mayor's announcement
- Administrative directive
- City Manager memorandum
- Resolution of the City Council or Village Board (recommended)

The intention must be that the city is committed to taking action – solutions may not be easy to articulate or implement. But a pro-growth mindset will get the local Accelerator to real results, rather than getting stuck on talking about the problem.

Step 2 Appoint an Accelerator Leadership Team

The second step is for municipal leadership to appoint the leaders of the Accelerator. It is recommended that the Accelerator have co-chairs, one being a city leader like the Mayor, a City Manager, or the city's planning or economic development officer. The second co-chair can be a leading advocate stakeholder from the community, a civically involved REALTOR® or a representative of Illinois REALTORS®, a local home builder, or developer.

Step 3 Assemble the Housing Supply Accelerator

The Housing Supply Accelerator should bring together representatives from local government, the real estate industry, and other community stakeholders who have firsthand knowledge of the housing market, community development, infrastructure, and local economic conditions. The objective is to create a collaborative working group that can evaluate existing conditions, identify barriers to housing production, and develop practical recommendations for increasing housing opportunities.

Membership should reflect the unique characteristics of each community. While not every municipality will include every stakeholder listed below, communities are encouraged to assemble a diverse group of participants who can contribute different perspectives and areas of expertise.

RECOMMENDED PARTICIPANTS

Municipal Government

- Mayor, Village President, or City Manager
- Planning, Zoning, Building Departments
- Public Works, Engineering Departments
- Economic Development
- Fire Department (as appropriate)
- Municipal Attorney (as appropriate)

Real Estate and Development

- Local REALTORS®
- Home builders
- Residential and commercial developers
- Architects
- Engineers and surveyors

Housing and Finance

- Local lenders and mortgage professionals
- Community development organizations
- Housing authorities (where applicable)

Community and Regional Partners

- Major employers
- School districts
- Utility providers
- County government
- Regional planning organizations
- Chambers of commerce
- Economic development organizations
- Other community organizations with an interest in housing and community growth

Role of Accelerator Members

- Accelerator members are expected to participate actively throughout the process by:
- Assisting in the completion of the Housing Readiness Assessment.
- Sharing professional expertise and local knowledge.
- Identifying barriers and opportunities affecting housing development.
- Evaluating potential policy and process improvements.
- Helping develop practical recommendations tailored to the community.
- Serving as ambassadors for collaboration within their respective organizations.

The Accelerator is intended to operate as a collaborative advisory body rather than a regulatory or decision-making entity. Final decisions regarding local policies, ordinances, and public investments remain the responsibility of the municipality's elected and appointed officials.

Important Note: Communities should generally strive to keep the Accelerator to approximately 10 to 20 active participants. Additional stakeholders can be invited to participate in interviews, presentations, or specific meetings as topics arise. A focused working group is generally more effective than a large committee for maintaining momentum and reaching consensus.

Step 4 Complete Assessments

The Housing Assessments included with this Playbook serve as a model for your Accelerator group, however, they do not have to be the only questions you ask. Your Accelerator's job now is to wrap your arms around housing in your community. Each Accelerator should be free to modify the Housing Assessments as necessary to fit their circumstances.

The Housing Assessments will give the Accelerator a path to the final Housing Readiness Assessment, which will be the Accelerator's official work product. This Assessment will serve as the foundation for any policy actions taken upon completion of the work.

Step 5 Identify Priority Opportunities

After the Accelerator has a firm understanding of the housing situation in its community, it's time to narrow the focus on those opportunities for improvement or those challenges that your community wants to prioritize.

Some important questions to ask are:

- What barriers matter most?
- Where are the greatest opportunities?
- What can realistically be accomplished?
- Which recommendations should receive immediate attention?

Step 6 Develop an Action Plan

Avoid the temptation to make this part complicated. What priorities did the Accelerator zero in on, what action is needed to execute that change, and who is going to take the lead?

Step 7 Report Progress

Unlike most task forces and work groups, the Accelerator should not dissolve after it delivers its Action Plan. Quite the contrary. Accelerator members are called upon to track the progress of any initiatives borne from the Action Plan and should report back at least annually on the progress that has been made.

4.2 Principles of a Successful Accelerator

The overarching theme of this Playbook and the design of a Local Housing Supply Accelerator is: flexibility. No two Accelerators will likely look the same. However, there are some common principles that every Accelerator should embody:

- Focuses on expanding housing opportunities rather than advocating predetermined outcomes.
- Relies on local data and community conditions.
- Encourages collaboration across public and private sectors.
- Respects local decision-making authority.
- Seeks practical, implementable solutions.
- Recognizes that no single policy will solve every housing challenge.

4.3 Accelerator Deliverables

By the conclusion of the process, the Local Housing Supply Accelerator should produce:

- Completed Housing Assessments
- Housing Readiness Assessment
- Three to five priority housing initiatives
- Implementation Action Plan
- Presentation to the City Council or Village Board

SECTION 5

CONCLUSION

Housing affordability is one of the defining challenges facing communities across Illinois. While the causes are varied and complex, one reality remains clear: communities that intentionally plan for housing are better positioned to support economic growth, attract and retain employers, provide opportunities for residents at every stage of life, and maintain long-term community vitality.

The Housing Supply Accelerator model recognizes that meaningful progress begins with collaboration. Local elected officials, municipal staff, REALTORS®, builders, employers, lenders, and community organizations each bring valuable expertise and perspectives to the conversation.

The purpose of this Playbook is not to prescribe a one-size-fits-all solution, but to provide a practical framework that communities can use to better understand their local housing market, identify barriers to housing production, and evaluate strategies that support responsible growth.

The future of housing in Illinois will not be determined by any single law, program, or organization. It will be shaped one community at a time through thoughtful leadership, informed decision-making, and a shared commitment to expanding housing opportunities for current and future generations.

HOUSING MARKET & COMMUNITY NEEDS ASSESSMENT

Important Note: Not every community will have access to every data point included in this assessment. That is expected. The purpose of this exercise is not to produce a perfect dataset, but rather to encourage thoughtful discussion and identify areas where additional information may be helpful. Communities should answer as many questions as reasonably possible using available local, county, regional, or state data sources.

Part A – Population & Demographics

Question	Response
Current population	
Population change over last 10 years	▲ / ▼
Number of households	
Average household size	
Median age	
Is the population aging?	Yes / No
Are young adults leaving the community?	Yes / No / Unknown
Are school enrollments increasing or declining?	
Are there major demographic shifts occurring?	

Part B – Housing Market

Question	Response
Median home sale price	
Five-year home price increase	
Median monthly rent	
Months of housing inventory	
Residential vacancy rate	
Rental vacancy rate	
Homeownership rate	
Renter occupancy rate	
Average age of housing stock	
Percent of homes built before 1980	

Part C – Housing Production

Question	Response
Number of residential permits issued last year	
Residential building permits per 1,000 residents	
Single-family permits	
Multifamily permits	
ADUs permitted	
Major subdivisions currently under construction	
Approved but unbuilt residential developments	
Are builders actively pursuing new projects?	Yes / No

Part D – Economic Conditions

Question	Response
Largest employers	
Major employers expanding?	
Major employers downsizing?	
Estimated worker shortages	
Do employers report housing challenges?	Yes / No
Typical employee commute	
New economic development expected?	

Part E – Stakeholder Input

What housing issues are discussed most often by residents?

What housing concerns are raised by employers?

What housing opportunities exist?

What types of housing appear most difficult to build?

What housing issues are identified by local builders, developers, or real estate professionals?

Interpreting Your Results

No single response determines whether a community has a housing supply challenge. Rather than focusing on any one metric, look for recurring patterns across multiple categories. A community experiencing rising home prices, declining inventory, slowing housing production, and employer recruitment challenges is likely facing a systemic housing supply issue, even if other indicators appear healthy.

Housing Market Appears Balanced

INDICATORS:

- Stable home prices
- Healthy housing inventory
- Housing construction keeping pace with demand
- Diverse housing options
- Employers not reporting housing shortages
- Moderate vacancy rates

Possible Next Step: Focus on preserving existing housing diversity and planning for future growth.

Emerging Housing Pressures

INDICATORS:

- Home prices rising faster than incomes
- Declining inventory
- Increasing employer concerns
- Limited housing choices
- Aging housing stock
- Slow housing production

Possible Next Step: Review local development regulations and identify opportunities to expand housing choices before shortages become more severe.

Significant Housing Supply Challenges

INDICATORS:

- Extremely low inventory
- Rapid home price appreciation
- Employers unable to recruit workers due to housing shortages
- Few new housing permits
- Little diversity in housing types
- Long waiting lists for rental housing
- Significant affordability concerns

Possible Next Step: Consider conducting a comprehensive review of local housing policies, development processes, and infrastructure planning. Communities exhibiting several of these conditions may benefit from creating a Local Housing Supply Accelerator to identify and prioritize reforms.

SUGGESTED DATA SOURCES

Topic	Potential Sources
Population & demographics	U.S. Census Bureau, American Community Survey
Home prices & inventory	Illinois REALTORS®, local MLSs
Building permits	Municipal building department, U.S. Census Building Permits Survey
Employment	Local economic development organizations, Illinois Department of Employment Security
Housing studies	CMAP, regional planning commissions, county planning departments
Local regulations	Municipal zoning ordinance and comprehensive plan

Key Takeaways

After completing this assessment, identify the three most important observations about your community.

____

____

____

HOUSING OPPORTUNITY ASSESSMENT

The purpose of this Housing Assessment is to measure whether city code creates housing opportunities. In other words, the question isn't necessarily "Is a certain housing typology permitted?" it's more relevantly "Is a certain housing typology practically available?" This Housing Assessment will help Accelerator groups understand, in particular, the practical feasibility of missing middle housing typologies.

Housing Type Availability For each housing type, identify how available it is by evaluating its permissibility, restrictions and current use:

Duplexes

☐ "By right" throughout residential districts

☐ "By right" in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ______________________________

Key Development Standards

Minimum lot size: ______________________________

Minimum lot width: ______________________________

Maximum density (if applicable): ______________________________

Parking spaces required: ______________________________

Other notable restrictions: ______________________________

Approximate percentage of residential land (or extent of availability) where duplexes are permitted:

☐ Very Limited	☐ Less than 5%	☐ One or Two Zoning Districts
☐ 5–20%	☐ Some Residential Districts	
☐ 20–50%	☐ Most Residential Districts	
☐ More than 50%	☐ Community-Wide	

Are examples of this housing type already common in your community?

☐ Yes ☐ Some

☐ Few ☐ None

Triplexes

☐ “By right” throughout residential districts

☐ “By right” in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ____

Key Development Standards

Minimum lot size: ____

Minimum lot width: ____

Maximum density (if applicable): ____

Parking spaces required: ____

Other notable restrictions: ____

Approximate percentage of residential land (or extent of availability) where triplexes are permitted:

☐ Very Limited ☐ Less than 5% ☐ One or Two Zoning Districts

☐ 5–20% ☐ Some Residential Districts

☐ 20–50% ☐ Most Residential Districts

☐ More than 50% ☐ Community-Wide

Are examples of this housing type already common in your community?

☐ Yes ☐ Some

☐ Few ☐ None

Fourplexes

☐ “By right” throughout residential districts

☐ “By right” in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ____

Key Development Standards

Minimum lot size: ____

Minimum lot width: ____

Maximum density (if applicable): ____

Parking spaces required: ____

Other notable restrictions: ____

Approximate percentage of residential land (or extent of availability) where fourplexes are permitted:

☐ Very Limited ☐ Less than 5% ☐ One or Two Zoning Districts

☐ 5–20% ☐ Some Residential Districts

☐ 20–50% ☐ Most Residential Districts

☐ More than 50% ☐ Community-Wide

Are examples of this housing type already common in your community?

☐ Yes ☐ Some

☐ Few ☐ None

Townhomes (Row Houses)

☐ “By right” throughout residential districts

☐ “By right” in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ______________________________

Key Development Standards

Minimum lot size: ______________________________

Minimum lot width: ______________________________

Maximum density (if applicable): ______________________________

Parking spaces required: ______________________________

Other notable restrictions: ______________________________

Approximate percentage of residential land (or extent of availability) where townhomes are permitted:

☐ Very Limited ☐ Less than 5% ☐ One or Two Zoning Districts

☐ 5–20% ☐ Some Residential Districts

☐ 20–50% ☐ Most Residential Districts

☐ More than 50% ☐ Community-Wide

Are examples of this housing type already common in your community?

☐ Yes ☐ Some

☐ Few ☐ None

Cottage Courts (Cottage Clusters)

☐ “By right” throughout residential districts

☐ “By right” in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ______________________________

Key Development Standards

Minimum lot size: ______________________________

Minimum lot width: ______________________________

Maximum density (if applicable): ______________________________

Parking spaces required: ______________________________

Other notable restrictions: ______________________________

Approximate percentage of residential land (or extent of availability) where cottage courts are permitted:

☐ Very Limited	☐ Less than 5%	☐ One or Two Zoning Districts
☐ 5–20%	☐ Some Residential Districts	
☐ 20–50%	☐ Most Residential Districts	
☐ More than 50%	☐ Community-Wide	

Are examples of this housing type already common in your community?

☐ Yes	☐ Some
☐ Few	☐ None

Accessory Dwelling Units (ADUs)

☐ “By right” throughout residential districts

☐ “By right” in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ____

Key Development Standards

Minimum lot size: ____

Minimum lot width: ____

Maximum density (if applicable): ____

Parking spaces required: ____

Other notable restrictions: ____

Approximate percentage of residential land (or extent of availability) where ADUs are permitted:

☐ Very Limited

☐ Less than 5%	☐ One or Two Zoning Districts
☐ 5–20%	☐ Some Residential Districts
☐ 20–50%	☐ Most Residential Districts
☐ More than 50%	☐ Community-Wide

Are examples of this housing type already common in your community?

☐ Yes	☐ Some
☐ Few	☐ None

Mixed-Use Residential

☐ "By right" throughout residential districts

☐ "By right" in some areas of residential districts

☐ Only through special use

☐ Only in planned unit developments

☐ Effectively prohibited

Primary zoning districts: ______________________________

Key Development Standards

Minimum lot size: ______________________________

Minimum lot width: ______________________________

Maximum density (if applicable): ______________________________

Parking spaces required: ______________________________

Other notable restrictions: ______________________________

Approximate percentage of residential land (or extent of availability) where mixed-use residential is permitted:

☐ Very Limited

☐ Less than 5% ☐ One or Two Zoning Districts

☐ 5–20% ☐ Some Residential Districts

☐ 20–50% ☐ Most Residential Districts

☐ More than 50% ☐ Community-Wide

Are examples of this housing type already common in your community?

☐ Yes ☐ Some

☐ Few ☐ None

Legal Availability & Practical Feasibility

As noted above, there can be a difference between legally available housing types and housing that is practically feasible. For the table below, consider the following descriptions and complete whether each housing type is Legally Allowed in current city code (Yes/No), and whether that housing type is Practically Feasible (High/Moderate/Low/None).

Practical Feasibility

High

- Allowed by right
- Reasonable lot standards
- Typical parcel can comply

Moderate

- Some restrictions
- Some additional approvals

Low

- Significant restrictions
- Limited geography
- Large minimum lots
- Special use required

None

- Effectively prohibited

Housing Type	Legally Allowed	Practically Feasible
ADU		
Duplex		
Triplex		
Fourplex		
Cottage Court		
Townhome		
Mixed-Use Residential		

Key Takeaways

After completing this assessment, identify the three most important observations about your community.

____

____

____

ORGANIZATIONAL PERFORMANCE ASSESSMENT

The purpose of this Assessment is to evaluate whether a community's development review process is transparent, predictable, efficient, and proportional to the scale of the proposed development. The goal is not to reduce public oversight or eliminate community input. Rather, it is to identify opportunities to improve the development review process while maintaining thoughtful planning and public accountability.

PART A – PROCESS TRANSPARENCY

Goal Can an applicant easily understand the approval process before submitting an application?

Questions

- Is there a published development review flowchart?
- Is there a written development review guide?
- Are application requirements clearly documented?
- Are all required approvals identified up front?
- Are review timelines published?
- Is there a single point of contact for applicants?

RATING GUIDE

Excellent

- Process is clearly documented and publicly available.
- Applicants understand the process before filing.

Good

- Most information is available, but some steps require staff interpretation.

Needs Improvement

- Requirements are scattered or difficult to understand.
- Applicants often learn requirements during the review process.

PART B – REVIEW EFFICIENCY

Goal Does the municipality review applications efficiently?

Questions

- Are departments reviewing applications concurrently?
- Are comments consolidated?
- Are duplicate reviews minimized?
- Are electronic submissions accepted?
- Can applicants track review status online?
- Are revisions handled promptly?

RATING GUIDE

Excellent

- Reviews occur simultaneously where practical.
- Comments are coordinated.
- Technology supports the process.

Good

- Some parallel review occurs.
- Most comments are coordinated.

Needs Improvement

- Sequential reviews dominate.
- Applicants receive multiple rounds of conflicting comments.

PART C – APPROVAL PREDICTABILITY

Goal Can an applicant reasonably predict what approvals will be required and how long they will take?

Questions

- Are objective approval standards used?
- How often are projects requiring multiple continuances?
- Are timelines generally met?
- Are by-right projects approved administratively?
- Are discretionary approvals limited to projects that truly warrant them?

RATING GUIDE

Excellent

- Approval criteria are objective.
- Timelines are predictable.

Good

- Most approvals are predictable.

Needs Improvement

- Outcomes depend heavily on discretion.
- Timelines vary significantly.

PART D – ORGANIZATIONAL CAPACITY

Goal Does the municipality have the staffing and resources needed to process housing development?

Questions

- Dedicated planning staff?
- Dedicated engineering review?
- Building inspection capacity?
- Legal support?
- GIS capability?
- Outside consultant availability?
- Staff vacancy issues?

RATING GUIDE

Excellent

- Staffing generally keeps pace with workload.

Good

- Some resource constraints.

Needs Improvement

- Staffing shortages regularly delay projects.

PART E – PUBLIC ENGAGEMENT

Goal Move away from “Do residents or stakeholders get input?” toward “Is public engagement constructive?”

Questions

- Are neighbors notified early?
- Are expectations clearly communicated?
- Are meetings focused on planning issues?
- Is feedback gathered before formal hearings?
- Are design concerns separated from broader policy debates?

RATING GUIDE

Excellent

- Community input improves projects.

Good

- Public input is meaningful but occasionally delays projects.

Needs Improvement

- Public engagement is largely reactive, repetitive, or unpredictable.

Overall Assessment

Category	Assessment
Process Transparency	Strong / Moderate / Opportunity
Review Efficiency	Strong / Moderate / Opportunity
Approval Predictability	Strong / Moderate / Opportunity
Organizational Capacity	Strong / Moderate / Opportunity
Public Engagement	Strong / Moderate / Opportunity
Continuous Improvement	Strong / Moderate / Opportunity

Important Note: When giving your overall assessment, pay particular attention to the difference between process design (what an ordinance or formal policy requires) and process performance (how performance measures in actual practice).

Key Takeaways

After completing this assessment, identify the three most important observations about your community.

INFRASTRUCTURE ASSESSMENT

Understanding Infrastructure Readiness

Infrastructure readiness cannot typically be evaluated by reviewing ordinances or public reports alone.

Communities are encouraged to complete this assessment by consulting with local staff and infrastructure providers – people who don't normally participate in housing discussions – such as:

- Public Works
- Municipal Engineering
- Water Utility
- Wastewater Utility
- Fire Protection District
- School District
- Electric Utility
- County Highway Department
- Regional Planning Organizations

Not every question requires a precise engineering answer. Rather, the objective is to identify whether infrastructure capacity is generally available, where constraints exist, and what investments may be necessary to support future housing.

WATER & WASTEWATER

Questions

Does the community currently have adequate drinking water capacity for additional housing?

☐ Yes

☐ Limited

☐ No

Is wastewater treatment capacity adequate?

☐ Yes

☐ Limited

☐ No

Are water main extensions frequently required for new developments?

☐ Often

☐ Sometimes

☐ Rarely

Are sewer extensions commonly required?

☐ Often

☐ Sometimes

☐ Rarely

Has capacity planning for any water system been completed within the last 10 years?

Yes / No

Does stormwater infrastructure have adequate capacity to accommodate anticipated growth in undeveloped areas?

☐ Yes

☐ Limited

☐ No

☐ Unknown

Of the following, which has current capacity in the urban center if housing density increased?

☐ Water Mains

☐ Sewer

☐ Stormwater

TRANSPORTATION

Questions

Do existing roads generally accommodate anticipated residential growth?

☐ Yes

☐ Mostly

☐ No

Are road intersection improvements commonly required?

☐ Frequently

☐ Sometimes

☐ Rarely

Does the community maintain a road transportation improvement plan?

Yes / No

Are there known road transportation bottlenecks affecting housing development?

Yes / No

Does the community have access to public transit?

☐ Metra

☐ CTA

☐ Pace

☐ Other regional/city transit

☐ No fixed-route transit

Is there existing capacity to accommodate additional housing within walking distance (½ mile) of transit stops?

☐ Significant capacity

☐ Some capacity

☐ Limited capacity

☐ Unknown

Does the community encourage higher-density or mixed-use housing near transit?

☐ Yes

☐ Partially

☐ No

Are there underutilized areas near transit that could support additional housing?

☐ Yes

☐ No

☐ Unknown

UTILITIES

Questions

Have utility providers identified infrastructure limitations that could constrain future housing development?

☐ Yes

☐ No

☐ Unknown

If yes, identify:

____

____

Is electric capacity available for growth in undeveloped areas?

☐ Yes

☐ No

☐ Unknown

Is natural gas available for undeveloped areas?

☐ Yes

☐ No

☐ Unknown

Is broadband available citywide?

☐ Citywide

☐ Part of the city

☐ None

Is fiber available citywide?

☐ Citywide

☐ Part of the city

☐ None

Community Facilities

Questions	Response
Do schools have capacity for more students?	Adequate/Limited/Unknown
Does the Fire Department have capacity to serve new developments or higher density?	Adequate/Limited/Unknown
Are there adequate parks for existing development?	Adequate/Limited/Unknown
Are there adequate libraries for existing development?	Adequate/Limited/Unknown

Existing Infrastructure

Where does the community have existing infrastructure capable of supporting additional housing?

☐ Downtown

☐ Commercial corridors

☐ Near transit

☐ Industrial redevelopment areas

☐ Existing neighborhoods

☐ Greenfield growth areas

☐ Unknown

PLANNING & COORDINATION

Questions

Does the community maintain a Capital Improvement Plan?

Yes / No

Is future housing considered when planning infrastructure investments?

Yes / No

Are infrastructure providers routinely consulted during development review?

Yes / No

Does the comprehensive plan identify future growth areas?

Yes / No

Are infrastructure investments coordinated with anticipated housing growth?

Yes / No

Known Constraints

What are the three biggest infrastructure constraints affecting housing?

____

____

____

Are these:

☐ Funding issues

☐ Capacity issues

☐ Regulatory issues

☐ Staffing issues

☐ Unknown

Planned Infrastructure Investments

Are there planned public infrastructure projects that could support additional housing over the next five to 10 years?

Examples might include water system expansion, wastewater improvements, road or transit improvements, utility upgrades or downtown redevelopment.

If so, describe them: ____

____

____

Evaluating Your City's Infrastructure Readiness

The aim of this Housing Assessment is not to assign a grade to any particular type of infrastructure. Rather, it is to ensure the Accelerator group has a thorough understanding of where opportunities are. Here is an example of how you can evaluate each of these types of infrastructure systems:

Assessment	Meaning
Strong	Capacity is understood, and infrastructure can generally support anticipated housing growth.
Moderate	Some constraints exist, but they are manageable through planned improvements or targeted investments.
Limited	Existing infrastructure constraints are already limiting housing opportunities or require significant investment before growth can occur.
Needs Further Assessment	The Accelerator group does not yet have enough information to evaluate this infrastructure system. Additional consultation with local staff or providers is recommended.

Infrastructure Opportunity Map

What areas are best positioned for near-term housing growth:

- ☐ Downtown
- ☐ Transit station area(s)
- ☐ Commercial corridor(s)
- ☐ Existing neighborhood infill
- ☐ Vacant public land
- ☐ Greenfield expansion
- ☐ Redevelopment district

Why are these areas well positioned?

____

____

____

Key Takeaways

After completing this assessment, identify the three most important observations about your community.

____

____

____

FINANCIAL READINESS ASSESSMENT

The purpose of this Housing Assessment is to evaluate whether a community has the financial tools, policies, and partnerships necessary to encourage housing investment. While local governments cannot control interest rates or construction costs, they can influence the financial feasibility of housing through local policies, strategic investments, and public-private partnerships.

UNDERSTANDING LOCAL DEVELOPMENT ECONOMICS

Questions

Has the community evaluated the approximate cost of building new housing in the local market?

- ☐ Yes
- ☐ Partially
- ☐ No

Has the community discussed with local builders or developers the primary financial barriers to new housing?

- ☐ Frequently
- ☐ Occasionally
- ☐ Never

Does the community understand which housing types are financially difficult to build without public assistance?

☐ Yes

☐ Somewhat

☐ No

How does your community stack up here?

Ranking	Level of Understanding
Strong Understanding	The community regularly engages with the development community and understands local market conditions.
Moderate Understanding	Some understanding exists but is informal or outdated.
Opportunity for More Learning	Financial feasibility has not been evaluated.

Local Financial Tools

Does the community currently utilize:

Tool	Yes	No	Considering
Tax Increment Financing (TIF)	☐	☐	☐
Business Districts	☐	☐	☐
Enterprise Zones	☐	☐	☐
Special Service Areas	☐	☐	☐
Local revolving loan funds	☐	☐	☐
Down payment assistance	☐	☐	☐
Housing trust fund	☐	☐	☐

Which tools have been used to support housing within the last five years? ______________________

____

____

Development Cost Policies

Reducing unnecessary costs can be just as important as creating new subsidies. To that end, has the community recently reviewed its:

- Impact fees?
- Permit fees?
- Utility connection fees?
- Inspection fees?
- Park contributions?
- Other development-related charges?

For each:

☐ Reviewed within five years

☐ Reviewed more than five years ago

☐ Never reviewed

Are fee reductions, waivers, or deferrals available for targeted housing projects?

☐ Yes

☐ Sometimes

☐ No

Partnerships & Funding

Few housing developments are financed by a single entity. Successful communities cultivate relationships with public agencies, private lenders, employers, nonprofit organizations, and the development community to identify funding opportunities and leverage available resources. This section evaluates the strength of those partnerships.

In relation to (non-low-income housing), does the community regularly coordinate with:

Partner	Yes	Occasionally	No
County government	☐	☐	☐
State agencies	☐	☐	☐
Regional planning organizations	☐	☐	☐
Housing nonprofits	☐	☐	☐
Local lenders	☐	☐	☐
Developers	☐	☐	☐
Employers	☐	☐	☐

Has the community pursued housing-related grants (for non-low-income housing) within the last five years?

☐ Yes

☐ No

Financial Strategy

Communities that successfully expand housing opportunities typically have a clear strategy for aligning public investments, local policies, and redevelopment priorities with their housing goals. This section evaluates whether the community is intentionally using its financial resources to support future housing opportunities.

For these questions, the focus is, in particular, on non-low-income housing.

Does the community...	Yes	No
Have a housing investment strategy?	☐	☐
Have a capital improvement plan (does it prioritize investments in future housing)?	☐	☐
Identify priority housing investment areas?	☐	☐

Known Financial Barriers

What are the three biggest financial barriers to housing development?

____

____

Thinking of those financial barriers, how would you classify them:

☐ High development costs

☐ Infrastructure costs

☐ Financing availability

☐ Local fees

☐ Regulatory costs

☐ Market conditions

☐ Lack of public funding

☐ Land costs

☐ Other

Community Investment Priorities

If additional financial resources became available, which of the following would have the greatest impact on expanding housing opportunities in your community?

☐ Infrastructure improvements

☐ Redevelopment assistance

☐ Land acquisition

☐ Brownfield remediation

☐ Fee reductions or waivers

☐ Utility extensions

☐ Affordable housing incentives

☐ Downtown housing

☐ Transit-oriented development

☐ Other: ________________________

Key Takeaways

After completing this assessment, identify the three most important observations about your community.

____

____

____

HOUSING READINESS ASSESSMENT

The Housing Readiness Assessment summarizes the findings of the five underlying Housing Assessments into a single document. Rather than introducing new information, this assessment identifies your community's strengths, opportunities, and priorities for expanding housing opportunities. It serves as the foundation for developing the Local Housing Supply Accelerator Action Plan.

Community Snapshot

Community Name: ____

Population: ____

County: ____

Current Housing Units: ____

Primary Employers: ____

Housing Market Summary (2-3 sentences): ____

____

____

____

Growth Trends (2-3 sentences): ____

____

____

____

Evaluating Housing Readiness

Based on all that you've learned from completing the Housing Assessments:

Identify the three greatest strengths that position the community to support additional housing.

____

____

____

Identify the three most significant barriers to expanding housing opportunities.

____

____

____

Overall, how ready would you say your community is to address its housing needs:

- ☐ Highly Ready
- ☐ Moderately Ready
- ☐ Limited Readiness
- ☐ Additional Assessment Needed

Were there any issues that appeared repeatedly as impediments, barriers, or challenges to addressing housing in your community?

- ☐ Housing affordability
- ☐ Limited housing diversity
- ☐ Regulatory barriers
- ☐ Infrastructure constraints
- ☐ Development costs
- ☐ Staffing
- ☐ Financial feasibility
- ☐ Public-private coordination
- ☐ Market conditions
- ☐ Other

If there were multiple areas that appeared repeatedly, describe how they can or do interact:

___

___

___

___

Accelerator Priorities

Before you identify solutions, first use all that you've learned and identify where your community's housing priorities are:

Priority 1

Issue: ___

___

Desired Outcome: ___

___

Potential Partners: ___

___

Priority 2

Issue: ___

___

Desired Outcome: ___

___

Potential Partners: ___

___

Priority 3

Issue: ___

___

Desired Outcome: ___

___

Potential Partners: ____

____

HOUSING SUPPLY SOLUTIONS & CASE STUDIES

PART A – MODERNIZE LOCAL REGULATIONS

A-1 Reduce Minimum Lot Sizes

Overview

Minimum lot size requirements determine the smallest parcel on which a home may be built. Communities may wish to periodically evaluate whether existing standards continue to reflect current housing needs, neighborhood development patterns, and long-term planning goals. In some locations, modest reductions in minimum lot size requirements can create additional housing opportunities while preserving community character.

Why It Matters

Minimum lot sizes directly affect the cost and availability of new housing. Larger lots require more land per home, increasing development costs and limiting the number of homes that can be built. Thoughtfully reducing lot size requirements may improve housing affordability and make more efficient use of existing infrastructure.

COMMUNITY SPOTLIGHT

Modernizing Minimum Lot Sizes Through Comprehensive Zoning Reform

As part of its Unified Development Ordinance (UDO), Charlotte, NC, revised many of its residential development standards, including reducing minimum lot dimensions in certain zoning districts. Rather than treating minimum lot sizes as a fixed community standard, the city evaluated how lot dimensions affected housing choice, neighborhood compatibility, and the efficient use of land.

The updated ordinance established different lot standards based on neighborhood context and intended development patterns while preserving other design and compatibility requirements. The changes were one component of a broader effort to modernize Charlotte's development regulations and expand opportunities for a wider range of housing types.

Takeaways for Illinois Communities:

- Minimum lot sizes can be evaluated as part of a broader zoning modernization effort rather than as a stand-alone policy change.
- Different neighborhoods may warrant different lot standards based on their existing development pattern and long-term planning goals.
- Changes to lot standards can be paired with other design requirements to help new development fit the surrounding community.

Key Considerations

- Evaluate infrastructure capacity before reducing lot sizes.
- Review related regulations, including setbacks, lot coverage, building height, and parking requirements.
- Consider whether changes should apply community-wide or only in selected zoning districts or redevelopment areas.

Potential Benefits

- Expands opportunities for new housing.
- Reduces land costs per home.
- Makes more efficient use of existing infrastructure.
- Supports a wider range of housing price points.

Potential Challenges

- Residents may have concerns about neighborhood character, traffic, or stormwater impacts.
- Additional zoning amendments may be needed to fully realize the benefits of smaller lots.

Questions for Local Discussion

- Do our current lot size requirements reflect today's housing needs?
- Where could smaller lots be accommodated while remaining compatible with surrounding development?

A-2 Expand "By Right" Zoning for Higher-Density Housing

Overview

By-right zoning allows housing that complies with adopted zoning and development standards to be approved administratively without discretionary approvals such as special use permits or planned developments. Communities may consider expanding by-right zoning to allow additional housing types—including duplexes, triplexes, fourplexes, and townhomes—in appropriate locations while maintaining clear development standards.

Why It Matters

Discretionary approval processes can increase the time, cost, and uncertainty associated with housing development. By-right zoning creates a more predictable approval process while preserving local control through the adoption of objective zoning and design standards.

Key Considerations

- Establish clear development standards before expanding by-right housing opportunities.
- Consider focusing by-right zoning in targeted areas, such as redevelopment districts, mixed-use corridors, or transit-served neighborhoods.
- Ensure proposed changes are consistent with the community's comprehensive plan.

Potential Benefits

- Creates a more predictable approval process.
- Reduces development delays and uncertainty.
- Encourages investment and housing production.
- Allows elected officials to focus discretionary review on more complex projects.

Potential Challenges

- Some residents may have concerns about reduced opportunities for public input on individual projects.
- Existing zoning ordinances may require substantial updates before additional housing types can be permitted by right.

Questions for Local Discussion

- Which housing types could reasonably be permitted by right in our community?
- Are discretionary approvals routinely required for projects that generally comply with our adopted plans and regulations?

A-3 Legalize Accessory Dwelling Units (ADUs)

Overview

Accessory Dwelling Units (ADUs) are smaller, independent residential units located on the same lot as a primary residence. They may be attached to the primary home, created within an existing structure, or constructed as a detached building. Communities may consider allowing ADUs in appropriate residential districts to expand housing opportunities while preserving established neighborhood character.

Why It Matters

ADUs can increase housing supply without requiring large-scale redevelopment or new subdivisions. They provide flexible housing options for older adults, young professionals, caregivers, and multigenerational families while making efficient use of existing infrastructure. Well-designed ADU regulations can expand housing choices with relatively modest neighborhood impacts.

COMMUNITY SPOTLIGHT

Expanding Housing Choices Through Accessory Dwelling Units

As part of a broader effort to increase housing opportunities within existing neighborhoods, Portland, OR, revised its development regulations to make Accessory Dwelling Units (ADUs) easier to construct. Over time, the city updated zoning and development standards, simplified portions of the permitting process, and temporarily waived certain system development charges to encourage homeowners to consider adding ADUs.

Rather than viewing ADUs as a replacement for traditional single-family neighborhoods, Portland treated them as one option for gently increasing housing opportunities while making use of existing infrastructure. Also, rather than viewing ADUs as a “yes or no” proposition, Portland developed a comprehensive plan for when, where and how they’re allowed.

Takeaways for Illinois Communities:

- ADUs can be one component of a broader housing strategy that expands housing options while preserving established neighborhoods.
- Local regulations – including dimensional standards, owner-occupancy requirements, parking requirements, and permitting procedures – can significantly influence whether ADUs are practical to build.
- Incentives and streamlined review processes may encourage greater homeowner participation than zoning changes alone.

Key Considerations

- Establish clear standards for size, height, placement, and design.
- Review owner-occupancy, parking, and minimum lot size requirements to ensure they do not unnecessarily limit ADU construction.
- Coordinate permitting, utility, and building code requirements across municipal departments.

Potential Benefits

- Expands housing opportunities within existing neighborhoods.
- Supports aging in place and multigenerational living.
- Provides homeowners with additional housing and income opportunities.
- Makes efficient use of existing infrastructure.

Potential Challenges

- Residents may express concerns regarding parking, privacy, or neighborhood character.
- Restrictive development standards may significantly limit ADU construction.

Questions for Local Discussion

- Do our zoning regulations provide practical opportunities for ADU development?
- Are existing standards appropriately balanced between neighborhood compatibility and housing opportunity?

A-4 Review and Modernize Minimum Parking Requirements

Overview

Minimum parking requirements establish the number of off-street parking spaces required for new development. Communities may wish to periodically review these standards to ensure they reflect current transportation patterns, housing types, and local parking demand. Parking requirements should balance the need for adequate parking with the goal of supporting efficient housing development.

Why It Matters

Parking requirements can significantly affect the cost and feasibility of new housing. Excessive parking requirements may increase development costs, reduce the amount of land available for housing, and make infill development more difficult. Right-sizing parking requirements can improve housing feasibility while continuing to meet local parking needs.

Key Considerations

- Evaluate parking demand by housing type, neighborhood, and transit availability.
- Consider reduced parking requirements in mixed-use districts, transit-served areas, or for smaller housing types.
- Review opportunities for shared parking or alternative compliance options.

Potential Benefits

- Reduces development costs.
- Improves the feasibility of infill and redevelopment projects.
- Makes more efficient use of land.
- Provides greater flexibility for housing development.

Potential Challenges

- Residents may have concerns regarding on-street parking or neighborhood parking demand.
- Parking needs vary considerably between communities and neighborhoods.

Questions for Local Discussion

- Do our parking requirements reflect actual parking demand?
- Are there areas where parking standards could be modernized without creating significant impacts?

A-5 Review and Modernize Bulk Regulations

Overview

Bulk regulations – including setbacks, lot coverage, floor area ratios, building height, and lot width requirements – shape the size and placement of buildings on a site. Communities should periodically review these standards to ensure they continue to support community planning objectives while allowing practical housing development.

Why It Matters

Even when housing is permitted, overly restrictive bulk regulations can significantly reduce the number of homes that can be built or increase development costs. Reviewing these standards may improve housing opportunities while maintaining neighborhood compatibility.

Key Considerations

- Evaluate setbacks, height limits, lot coverage, and floor area ratios together.
- Consider context-sensitive standards for infill and redevelopment.
- Coordinate changes with design and compatibility standards.

Potential Benefits

- Expands development flexibility.
- Improves feasibility of infill housing.
- Makes more efficient use of land.

Potential Challenges

- Residents may express concerns about neighborhood character or building scale.
- Multiple zoning provisions may require amendment.

Questions for Local Discussion

- Which bulk regulations most affect housing development in our community?
- Are existing standards achieving their intended planning objectives?

PART B – IMPROVE DEVELOPMENT PROCESSES

B-1 Establish Concurrent Department Reviews

Overview

Whenever practical, municipal departments should review development applications simultaneously rather than sequentially.

COMMUNITY SPOTLIGHT

Improving Development Reviews Through Concurrent Department Coordination

As Gilbert, AZ, experienced rapid population growth, the town evaluated how development applications moved through the review process. Rather than relying primarily on sequential reviews Gilbert expanded the use of concurrent reviews, allowing multiple departments to evaluate applications at the same time. Planning, engineering, utilities, transportation, and other reviewing agencies coordinated their reviews, while maintaining their individual responsibilities and technical standards.

The approach improved communication and reduced unnecessary delays, without reducing the level of review. Their concurrent review process provides applicants with more predictable review schedules while enabling staff to resolve comments more efficiently.

Takeaways for Illinois Communities:

- Evaluate whether applications move sequentially between departments when concurrent review may be feasible.
- Encourage early coordination among reviewing departments to identify and resolve issues before later stages of the review process.
- Improving efficiency does not require reducing technical standards or eliminating departmental oversight.
- More predictable review timelines can benefit both applicants and local governments by reducing uncertainty and improving project planning.

Why It Matters

Concurrent review can significantly reduce approval timelines without reducing the quality of municipal review.

Key Considerations

- Establish internal review schedules.
- Coordinate review comments.
- Identify a project manager.

Potential Benefits

- Faster reviews.
- Better interdepartmental coordination.
- Greater predictability.

Potential Challenges

- Requires coordination across departments.
- Smaller communities may have limited staffing.

Question(s)

- Where do delays most frequently occur?

B-2 Expand Administrative Approvals

Overview

Allow projects that comply with adopted standards to be approved administratively whenever appropriate.

Why It Matters

Administrative approvals reduce unnecessary discretionary review while preserving standards established through the zoning ordinance.

Key Considerations

- Adopt objective review standards and clearly define administrative authority.
- Reserve discretionary review for more complex projects.

Potential Benefits

- Faster approvals.
- Greater certainty.
- More efficient use of public meetings.

Potential Challenges

- May require ordinance amendments.
- Public education may be needed.

Question(s)

- Which compliant projects currently require discretionary approval?

B-3 Right-Size the Development Approval Timelines & Process

Overview

Review requirements and timelines can be tailored to the scale and complexity of the proposed project.

Why It Matters

Small housing projects should not necessarily undergo the same review process as major developments. Predictable timeless provide certainty (less cost) and improves transparency.

Key Considerations

- Review approval thresholds.
- Simplify procedures for smaller projects.
- Maintain appropriate oversight.

Potential Benefits

- More efficient reviews.
- Lower development costs.
- Better staff utilization.

Potential Challenges

- Existing ordinances may require revision.
- Staff training may be necessary.

Questions

- Are smaller housing projects subject to unnecessarily complex reviews?
- Which approvals could be simplified?
- Are we prepared to monitor and enforce timelines?

B-4 Utilize Third-Party Plan Review and Inspection Services

Overview

Communities may supplement municipal staff by utilizing qualified third-party professionals for plan review or inspections.

Why It Matters

Third-party services can help address staffing shortages and reduce permit backlogs.

Key Considerations

- Maintain municipal oversight.
- Establish qualification standards.
- Clearly define responsibilities.

COMMUNITY SPOTLIGHT

Expanding Review Capacity Through Third-Party Plan Review

As development activity has increased and put a strain on municipal staff, Nashville, TN, expanded its ability to process development applications by providing for qualified third-party professionals to perform certain plan reviews and inspections that met established municipal standards.

Rather than replacing the city's oversight responsibilities, third-party reviewers supplemented municipal capacity during periods of high demand while remaining subject to the city's review procedures and approval requirements. Paired with strict licensing and minimum qualifications standards issued by the state Fire Marshall, the third-party reviewers create an expert-level force multiplier.

Takeaways for Illinois Communities:

- Third-party review can supplement (not replace) municipal capacity during periods of high development activity or staffing constraints.
- Municipalities retain responsibility for establishing review standards and maintaining oversight of the development approval process.
- Communities can define when third-party review is appropriate and which types of applications are eligible.
- Third-party review is one tool that may improve review capacity while allowing municipal staff to focus on projects requiring greater technical review or policy analysis

Potential Benefits

- Faster permitting.
- Increased capacity.
- Greater flexibility.

Potential Challenges

- Additional administrative coordination.
- Potential costs.

Questions

- Would third-party review improve permitting efficiency?
- When does staff capacity become a constraint?

PART C – PLAN FOR STRATEGIC GROWTH

C-1 Encourage Housing Near Transit and Commercial Corridors

Overview

Focus efforts to add housing in areas already served by public transit and commercial activity. Transit routes, transit stations, and established commercial corridors are often well suited for higher-density and mixed-use development because they provide convenient access to jobs, shopping, services, and transportation.

Why It Matters

Locating housing near transit and commercial corridors can reduce infrastructure costs by directing growth to areas that are already served by public facilities and services. It can also improve access to employment, retail, and daily services while supporting local businesses. Concentrating housing in these areas may reduce development pressure in established low-density neighborhoods.

Key Considerations

- Identify corridors and activity centers that have adequate infrastructure capacity.
- Coordinate housing policies with transportation, land use, and economic development plans.
- Consider allowing a mix of housing types and mixed-use development near transit stations and along major transit routes.
- Evaluate opportunities to improve pedestrian and bicycle connectivity.

Potential Benefits

- Encourages efficient use of existing infrastructure.
- Supports walkable, mixed-use neighborhoods.
- Improves access to jobs, shopping, and public transportation.
- Strengthens commercial corridors through increased residential activity.

Potential Challenges

- Infrastructure upgrades may still be needed in some locations.
- Residents may have concerns regarding traffic, building scale, or neighborhood transition.

Questions for Local Discussion

- Which transit routes, stations, or commercial corridors are best positioned to accommodate additional housing?
- Do our current zoning regulations support mixed-use and higher-density housing in these areas?

C-2 Develop an Infill Housing Strategy

Overview

An infill housing strategy identifies opportunities to encourage new housing on vacant, underutilized, or re-developable properties within existing neighborhoods. Rather than focusing solely on outward expansion, an infill strategy helps communities make more effective use of existing land, infrastructure, and public investment.

Why It Matters

New housing developments matter, but almost every community has vacant lots, obsolete commercial properties, aging shopping centers, or other underutilized sites that could accommodate additional housing. Encouraging redevelopment of these locations can increase housing opportunities while strengthening neighborhoods and making more efficient use of existing infrastructure. A proactive strategy also helps communities communicate where they would like future housing investment to occur.

Key Considerations

- Inventory vacant, underutilized, and publicly owned properties.
- Identify redevelopment barriers, including zoning, environmental, infrastructure, or ownership issues.
- Coordinate infill planning with downtown revitalization, corridor planning, and economic development initiatives.
- Consider incentives or public-private partnerships for priority redevelopment sites.

Potential Benefits

- Revitalizes underutilized properties.
- Expands housing without extending infrastructure.
- Supports neighborhood reinvestment.
- Encourages more efficient land use.

Potential Challenges

- Site assembly, environmental remediation, or infrastructure improvements may increase redevelopment costs.
- Redevelopment projects often involve multiple property owners and more complex approval processes.

Questions for Local Discussion

- Which underutilized properties present the greatest opportunity for new housing?
- What barriers currently discourage redevelopment of infill sites?

COMMUNITY SPOTLIGHT

Encouraging Infill Housing Through Strategic Redevelopment

To encourage reinvestment in existing neighborhoods, Des Moines, IA, established an Infill Housing Program focused on promoting residential development on vacant and underutilized properties. The program combines strategic planning with financial incentives to encourage construction on sites that already have access to public infrastructure and municipal services.

Rather than focusing exclusively on outward growth, Des Moines incorporated infill housing into its broader neighborhood revitalization strategy. The program emphasizes making efficient use of existing streets, utilities, parks, schools, and other public investments.

Takeaways for Illinois Communities:

- Infill is not the same thing as urban density (with an emphasis on multifamily properties).
- Consider whether financial incentives or public-private partnerships could encourage redevelopment of challenging infill sites.

PART D – EXPAND LOCAL HOUSING INVESTMENT TOOLS

D-1 Modernize Impact Fee Ordinances

Overview

Impact fees help fund public infrastructure needed to serve new (and some existing) development. Communities should periodically review their impact fee ordinances to ensure fees are transparent, proportionate, legally supportable, and aligned with current infrastructure needs. For some fees, state statutes apply (i.e., the Road Improvement Impact Fee Act). A predictable and well-designed fee structure can support both infrastructure investment and housing development.

Why It Matters

Impact fees influence the cost of new housing and can affect whether proposed developments are financially feasible. Fees that are clearly calculated, consistently administered, and regularly updated provide greater certainty for both municipalities and developers. Perhaps more importantly, builders and developers should be assured that the fees will be devoted to actual infrastructure improvements that serve the development they are associated with.

Key Considerations

- Periodically review fee calculations to ensure they reflect current infrastructure costs and service demands.
- Clearly communicate how fees are calculated and how revenues are used.
- Consider whether fee reductions, waivers, or deferrals may be appropriate for targeted housing priorities or redevelopment areas.

Potential Benefits

- Improves transparency and predictability, while reducing legal risk to the muncipality.
- Supports infrastructure needed to accommodate growth.
- Reduces uncertainty during project planning.
- Provides flexibility to encourage priority housing projects.

Potential Challenges

- Revising impact fee ordinances may require updated technical studies and legal review.
- Reducing or restructuring fees may affect the timing or availability of infrastructure funding.

COMMUNITY SPOTLIGHT

Modernizing Impact Fees Through Regular Review and Transparency

As one of Arizona's fastest-growing cities, Mesa has periodically reviewed and updated its development impact fee program to ensure that fees reflect current infrastructure needs and comply with state law. Rather than viewing impact fees as a static revenue source, the city conducts impact fee studies to evaluate anticipated growth, planned capital improvements, and the relationship between new development and future infrastructure costs.

Mesa's approach also emphasizes transparency. Supporting studies, project lists, and fee schedules are made publicly available, helping builders, developers, and property owners better understand how fees are calculated and how revenues will be used. Regular updates allow the city to adjust fees as construction costs, infrastructure priorities, and growth patterns change over time.

Takeaways for Illinois Communities:

- Review impact fee ordinances on a regular basis to ensure they continue to reflect current infrastructure needs and development patterns.
- Make supporting studies and fee calculations readily available to improve transparency and predictability.
- Evaluate whether fees remain proportionate to the infrastructure impacts created by new development.
- Consider impact fee reviews as part of a broader discussion about housing affordability, economic development, and long-term capital planning.

Questions for Local Discussion

- Has our impact fee ordinance been reviewed recently to ensure it reflects current infrastructure needs?
- Does our impact fee ordinance comply with statute statutes and case law?
- Are our impact fees appropriately balanced between supporting public infrastructure and encouraging housing development?

D-2 Utilize Land Banks to Support Housing Development

Overview

Land banks are public entities that acquire, hold, manage, and dispose of vacant, abandoned, tax-delinquent, or foreclosed properties for productive reuse. They can help return underutilized properties to the tax rolls (often at discounted prices) while supporting housing development and neighborhood revitalization. Communities may establish a new land bank or, where available, partner with an existing county or neighboring municipal land bank to accomplish these objectives.

Why It Matters

Vacant and abandoned properties can discourage private investment, reduce surrounding property values, and limit opportunities for new housing. Land banks provide communities with a mechanism to assemble, manage, and market these properties for redevelopment. By working through an existing land bank, many municipalities can access these benefits without creating a new organization.

Key Considerations

- Determine whether an existing county or regional land bank can serve the community before creating a new entity.
- Identify priority areas where vacant or tax-delinquent properties could support housing development.
- Coordinate land bank activities with local planning, redevelopment, and housing goals.
- Establish clear policies for property acquisition, maintenance, and disposition.

Potential Benefits

- Returns vacant and abandoned properties to productive use.
- Supports infill housing and neighborhood revitalization.
- Encourages private investment in underutilized areas.
- Makes strategic redevelopment of multiple properties more feasible.
- Allows smaller communities to leverage existing land bank expertise and resources.

Potential Challenges

- Property acquisition, maintenance, and environmental remediation can require significant time and resources.
- Successful redevelopment often depends on market conditions, available infrastructure, and private development interest.

Questions for Local Discussion

- Is there an existing county or regional land bank that our community could partner with?
- Which vacant or tax-delinquent properties present the greatest opportunity for housing redevelopment?
- How could a land bank support our broader housing and neighborhood revitalization goals?

PART E – STRENGTHEN COLLABORATION

E-1 Establish a Local Housing Roundtable

Overview

A Housing Roundtable is an ongoing forum that brings together representatives from local government, the housing industry, and other community stakeholders to discuss housing trends, monitor local market conditions, and identify emerging opportunities or challenges. Unlike the Housing Supply Accelerator – which is formed to complete the Housing Readiness Assessment and develop recommendations – the Housing Roundtable serves as a long-term mechanism for maintaining communication and collaboration after the Accelerator’s work has concluded.

Why It Matters

Housing markets and community needs continually evolve. A regular Housing Roundtable provides an opportunity for local leaders and stakeholders to share information, discuss emerging issues, and evaluate progress toward community housing goals. By maintaining these relationships over time, communities can identify potential challenges earlier and respond more proactively.

Key Considerations

- Meet on a regular schedule, such as quarterly or semiannually.
- Include representatives from local government, REALTORS®, builders, lenders, employers, utility providers, and other organizations with an interest in housing.
- Focus meetings on housing trends, development activity, implementation of Accelerator recommendations, and emerging barriers or opportunities.
- Keep meetings focused on information sharing, collaboration, and problem-solving rather than project-specific approvals or advocacy.

Potential Benefits

- Strengthens relationships among housing stakeholders.
- Improves communication between the public and private sectors.
- Helps communities identify emerging housing issues before they become significant challenges.
- Maintains momentum following completion of the Housing Supply Accelerator.

Potential Challenges

- Without a defined purpose and agenda, meetings may lose focus or become less productive over time.
- Sustaining participation may require continued leadership and administrative support.

Questions for Local Discussion

- Which organizations should participate in an ongoing Housing Roundtable?
- How can the Roundtable help monitor housing conditions and support implementation of the community's housing priorities?
- What topics should be reviewed regularly to ensure meetings remain productive and action-oriented?

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